other applications; And, if will help to advance the state of the art in the general problem areas of hydrogen production, storage, and utilization. Specifically, this legislation sets the course for the next five years for U.S. hydrogen R&D efforts and enhances the leadership role of the Department of Energy in this important area. For these reasons alone, I would urge a vote for H.R. 4138.

However, the bill also has a new title that was added by the Senate since the House passed this measure last year. This title provides broad authority to the Department to use scientists from the field as rotating staff, thereby strengthening the technical and scientific capabilities of the Department. I wholeheartedly support this initiative and applaud the Senate efforts to include this authority in H.R. 4138. I would also like to thank the House Government Reform Committee for discharging this part of the measure quickly so that we could pass this bill this year.

In closing, I would like to commend Chairman WALKER for conceiving of this bill and shepherding it through the legislative process. While we have had our differences in other areas of legislative interest this year, we both share a strong commitment to the hydrogen R&D efforts of the Federal Government and Mr. WALKER has shown an unwavering belief in this technology.

I urge the passage of H.R. 4138.

Mr. Speaker, I might mention that not only are we comanaging this bill, but we are coauthors of this bill, which may be a unique situation in most of the legislation.

I urge the passage of H.R. 4138.

Mr. Speaker, I yield back the balance of my time.

Mr. WALKER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GUTKNECHT). The question is on the motion offered by the gentleman from Pennsylvania [Mr. WALKER] that the House suspend the rules and pass the bill, H.R. 4138.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. WALKER. Mr. Speaker, I ask unanimous consent that Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## OMNIBUS CIVIL SERVICE REFORM ACT OF 1996

Mr. MICA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3841) to amend the civil service laws of the United States, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3841

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Omnibus Civil Service Reform Act of 1996''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:



### TITLE I—DEMONSTRATION PROJECTS

**SEC. 101. DEMONSTRATION PROJECTS.**

(a) DEFINITIONS.—Paragraph (1) of section 4701(a) of title 5, United States Code, is amended by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(b) PRE-IMPLEMENTATION PROCEDURES.—Subsection (b) of section 4703 of title 5, United States Code, is amended to read as follows:

''(b) Before an agency or the Office may conduct or enter into any agreement or contract to conduct a demonstration project, the Office—

''(1) shall develop or approve a plan for such project which identifies—

''(A) the purposes of the project;

''(B) the methodology;

''(C) the duration; and

''(D) the methodology and criteria for evaluation;

''(2) shall publish the plan in the Federal Register;

''(3) may solicit comments from the public and interested parties in such manner as the Office considers appropriate;

''(4) shall obtain approval from each agency involved of the final version of the plan; and

''(5) shall provide notification of the proposed project, at least 30 days in advance of the date any project proposed under this section is to take effect—

''(A) to employees who are likely to be affected by the project; and

''(B) to each House of the Congress.''.

(c) NONWAIVABLE PROVISIONS.—Section 4703(c) of title 5, United States Code, is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) any provision of subchapter V of chapter 63 or subpart G of part III of this title;''; and

(2) by striking paragraph (3) and inserting the following:

''(3) any provision of chapter 15 or subchapter II or III of chapter 73 of this title;''.

(d) LIMITATIONS.—Subsection (d) of section 4703 of title 5, United States Code, is amended to read as follows:

''(d)(1) Each demonstration project shall terminate before the end of the 5-year period beginning on the date on which the project takes effect, except that the project may continue for a maximum of 2 years beyond the date to the extent necessary to validate the results of the project.

''(2)(A) Not more than 15 active demonstration projects may be in effect at any time, and of the projects in effect at any time, not more than 5 may involve 5,000 or more individuals each.

''(B) Individuals in a control group necessary to validate the results of a project shall not, for purposes of any determination under subparagraph (A), be considered to be involved in such project.''.

(e) EVALUATIONS.—Subsection (h) of section 4703 of title 5, United States Code, is amended by adding at the end the following: ''The Office may, with respect to a demonstration project conducted by another agency, require that the preceding sentence be carried out by such other agency.''.

(f) PROVISIONS FOR TERMINATION OF PROJECT OR MAKING IT PERMANENT.—Section 4703 of title 5, United States Code, is amended—

(1) in subsection (i) by inserting ''by the Office'' after ''undertaken''; and

(2) by adding at the end the following:

''(j)(1) If the Office determines that termination of a demonstration project (whether under subsection (e) or otherwise) would result in the inequitable treatment of employees who participated in the project, the Office shall take such corrective action as is within its authority. If the Office determines that legislation is necessary to correct an inequity, it shall submit an appropriate legislative proposal to both Houses of Congress.

''(2) If the Office determines that a demonstration project should be made permanent, it shall submit an appropriate legislative proposal to both Houses of Congress.''.

## TITLE II—PERFORMANCE MANAGEMENT ENHANCEMENT

### SEC. 201. INCREASED WEIGHT GIVEN TO PERFORMANCE FOR ORDER-OF-RETENTION PURPOSES IN A REDUCTION IN FORCE.

(a) IN GENERAL.—Section 3502 of title 5, United States Code, is amended—

(1) in subsection (a)(4) by striking ''ratings.'' and inserting ''ratings, in conformance with the requirements of subsection (g).''; and

(2) by adding at the end the following:

''(g)(1) The regulations prescribed to carry out subsection (a)(4) shall be the regulations in effect, as of January 1, 1996, under section 351.504 of title 5 of the Code of Federal Regulations, except as otherwise provided in this subsection.

''(2) For purposes of this subsection—

''(A) subsections (b)(4) and (e) of such section 351.504 shall be disregarded;

''(B) subsection (d) of such section 351.504 shall be considered to read as follows:

'''(d)(1) The additional service credit an employee receives for performance under this subpart shall be expressed in additional years of service and shall consist of the sum of the employee's 3 most recent (actual and/or assumed) annual performance ratings received during the 4-year period prior to the date of issuance of reduction-in-force notices or the 4-year period prior to the agency-established cutoff date (as appropriate), computed in accordance with paragraph (2) or (3) (as appropriate).

'''(2) Except as provided in paragraph (3), an employee shall receive—

'''(A) 5 additional years of service for each performance rating of fully successful (Level 3) or equivalent;

'''(B) 7 additional years of service for each performance rating of exceeds fully successful (Level 4) or equivalent; and

'''(C) 10 additional years of service for each performance rating of outstanding (Level 5) or equivalent.

'''(3)(A) If the employing agency uses a rating system having only 1 rating to denote performance which is fully successful or better, then an employee under such system shall receive 5 additional years of service for each such rating.

'''(B) If the employing agency uses a rating system having only 2 ratings to denote performance which is fully successful or better, then an employee under such system shall receive—

'''(i) 5 additional years of service for each performance rating at the lower of those 2 ratings; and

'''(ii) 7 additional years of service for each performance rating at the higher of those 2 ratings.

'''(C) If the employing agency uses a rating system having more than 3 ratings to denote performance which is fully successful or better, then an employee under such system shall receive—

'''(i) 5 additional years of service for each performance rating at the lowest of those ratings;

'''(ii) 7 additional years of service for each performance rating at the next rating above the rating referred to in clause (i); and

'''(iii) 10 additional years of service for each performance rating above the rating referred to in clause (ii).

'''(D) For purposes of this paragraph, a rating shall not be considered to denote performance which is fully successful or better unless, in order to receive such rating, such performance must satisfy all requirements for a fully successful rating (Level 3) or equivalent, as established under part 430 of this chapter (as in effect as of January 1, 1996).'; and

''(C) subsection (c) of such section shall be considered to read as follows:

'''(c)(1) Service credit for employees who do not have 3 actual annual performance ratings of record received during the 4-year period prior to the date of issuance of reduction-in-force notices, or the 4-year period prior to the agency-established cutoff date for ratings permitted in subsection (b)(2) of this section, shall be determined in accordance with paragraph (2).

'''(2) An employee who has not received 1 or more of the 3 annual performance ratings of record required under this section shall—

'''(A) receive credit for performance on the basis of the rating or ratings actually received (if any); and

'''(B) for each performance rating not actually received, be given credit for 5 additional years of service.'.''.

(b)(1) Under regulations which shall be prescribed by the Office of Personnel Management, for purposes of determining the order of retention of employees in a reduction in force, if an agency has more than 1 performance evaluation system—

(A) employees of such agency who are covered by different evaluation systems shall be placed in separate competitive areas; and

(B) such agency shall establish more than 1 competitive level for such employees if—

(i) employees in a competitive area have received ratings under 1 or more evaluation systems different from a significant number of other competing employees within the same competitive area during any part of the applicable 4-year period described in the provisions of section 351.504(d)(1) of title 5 of the Code of Federal Regulations (as deemed to be amended by section 3502(g)(2)(B) of title 5, United States Code, as amended by this section); and

(ii) the employees referred to in clause (i) would otherwise be placed in the same competitive level.

(2) The regulations shall require agencies to establish the competitive levels under paragraph (1)(B) in accordance with the following criteria:

(A) To the extent feasible, the agency shall avoid the use of single-position competitive levels.

(B) All employees who have received ratings of record under the same performance evaluation system for at least 3 of the 4 years described in the provisions referred to in paragraph (1)(B)(i) shall be placed in the same competitive level.

(C) Separate competitive levels shall be established for those employees who—

(i) have received ratings of record under the same performance evaluation system for 2 of the 4 years described in the provisions referred to in paragraph (1)(B)(i); or

(ii) have received ratings of record under the same performance evaluation system for 1 of the 4 years described in the provisions referred to in paragraph (1)(B)(i).

(3) No employee shall be placed or continued under a performance evaluation system having only 1 rating to denote performance which is fully successful (Level 3) or better without such employee's written consent.

(c) REPORT.—Not later than 270 days after the date of the enactment of this Act, the General Accounting Office shall submit to the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate a report analyzing and assessing the following:

(1) Based on performance-ratings statistics in the executive branch of the Government over the past 15 years, the correlation (if any) between employees' ratings of record and the following:

(A) Promotions.

(B) Awards.

(C) Bonuses.

(D) Quit rates.

(E) Removals.

(F) Disciplinary actions (other than removals).

(G) The filing of grievances, complaints, and charges of unfair labor practices.

(H) Appeals of adverse actions.

(2) The impact of performance ratings on retention during reductions in force over the past 5 years.

(3) Whether ''pass/fail'' performance systems are compatible with the statutory requirement that efficiency or performance ratings be given due effect during reductions in force.

(4) The respective numbers of Federal agencies, organizational units, and Federal employees that are covered by the different performance evaluation systems.

(5) The potential impact of this section on employees in different performance evaluation systems.

(6) Whether there are significant differences in the distribution of ratings among or within agencies and, if so, the reasons therefor.

Based on the findings of the General Accounting Office, the report shall include recommendations to improve the effectiveness of Federal performance evaluation systems.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to reductions in force taking effect on or after October 1, 1999.

### SEC. 202. NO APPEAL OF DENIAL OF PERIODIC STEP-INCREASES.

(a) IN GENERAL.—Section 5335(c) of title 5, United States Code, is amended—

(1) by striking the second sentence;

(2) in the third sentence by striking ''or appeal''; and

(3) in the last sentence by striking ''and the entitlement of the employee to appeal to the Board do not apply'' and inserting ''does not apply''.

(b) PERFORMANCE RATINGS.—Section 5335 of title 5, United States Code, as amended by subsection (a), is further amended—

(1) in subsection (a)(B) by striking ''work of the employee is of an acceptable level of competence'' and inserting ''performance of the employee is at least fully successful'';

(2) in subsection (c)—

(A) in the first sentence by striking ''work of an employee is not of an acceptable level of competence,'' and inserting ''performance of an employee is not at least fully successful,''; and

(B) in the last sentence by striking ''acceptable level of competence'' and inserting ''fully successful work performance''; and

(3) by adding at the end the following:

''(g) For purposes of this section, the term 'fully successful' denotes work performance that satisfies the requirements of section 351.504(d)(3)(D) of title 5 of the Code of Federal Regulations (as deemed to be amended by section 3502(g)(2)(B)).''.

### SEC. 203. PERFORMANCE APPRAISALS.

(a) IN GENERAL.—Section 4302 of title 5, United States Code, is amended—

(1) in subsection (b) by striking paragraphs (5) and (6) and inserting the following:

''(5) assisting employees in improving unacceptable performance, except in circumstances described in subsection (c); and

''(6) reassigning, reducing in grade, removing, or taking other appropriate action against employees whose performance is unacceptable.''; and

(2) by adding at the end the following:

''(c) Upon notification of unacceptable performance, an employee shall be afforded an

opportunity to demonstrate acceptable performance before a reduction in grade or removal may be proposed under section 4303 based on such performance, except that an employee so afforded such an opportunity shall not be afforded any further opportunity to demonstrate acceptable performance if the employee's performance again is determined to be at an unacceptable level.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), this section and the amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(2) EXCEPTION.—The amendments made by this section shall not apply in the case of any proposed action as to which the employee receives advance written notice, in accordance with section 4303(b)(1)(A) of title 5, United States Code, before the effective date of this section.

**SEC. 204. AMENDMENTS TO INCENTIVE AWARDS AUTHORITY.**

Chapter 45 of title 5, United States Code, is amended—

(1) by amending section 4501 to read as follows:

**''§ 4501. Definitions**

''For the purpose of this subchapter—

''(1) the term 'agency' means—

''(A) an Executive agency;

''(B) the Library of Congress;

''(C) the Office of the Architect of the Capitol;

''(D) the Botanic Garden;

''(E) the Government Printing Office; and

''(F) the United States Sentencing Commission;

but does not include—

''(i) the Tennessee Valley Authority; or

''(ii) the Central Bank for Cooperatives;

''(2) the term 'employee' means an employee as defined by section 2105; and

''(3) the term 'Government' means the Government of the United States.'';

(2) by amending section 4503 to read as follows:

**''§ 4503. Agency awards**

''(a) The head of an agency may pay a cash award to, and incur necessary expense for the honorary recognition of, an employee who—

''(1) by his suggestion, invention, superior accomplishment, or other personal effort, contributes to the efficiency, economy, or other improvement of Government operations or achieves a significant reduction in paperwork; or

''(2) performs a special act or service in the public interest in connection with or related to his official employment.

''(b)(1) If the criteria under paragraph (1) or (2) of subsection (a) are met on the basis of the suggestion, invention, superior accomplishment, act, service, or other meritorious effort of a group of employees collectively, and if the circumstances so warrant (such as by reason of the infeasibility of determining the relative role or contribution assignable to each employee separately), authority under subsection (a) may be exercised—

''(A) based on the collective efforts of the group; and

''(B) with respect to each member of such group.

''(2) The amount awarded to each member of a group under this subsection—

''(A) shall be the same for all members of such group, except that such amount may be prorated to reflect differences in the period of time during which an individual was a member of the group; and

''(B) may not exceed the maximum cash award allowable under subsection (a) or (b) of section 4502, as applicable.''; and

(3) in subsection (a)(1) of section 4505a by striking ''at the fully successful level or higher'' and inserting ''higher than the fully successful level''.

**SEC. 205. DUE PROCESS RIGHTS OF MANAGERS UNDER NEGOTIATED GRIEVANCE PROCEDURES.**

(a) IN GENERAL.—Paragraph (2) of section 7121(b) of title 5, United States Code, is amended to read as follows:

''(2) The provisions of a negotiated grievance procedure providing for binding arbitration in accordance with paragraph (1)(C)(iii) shall, if or to the extent that an alleged prohibited personnel practice is involved, allow the arbitrator to order a stay of any personnel action in a manner similar to the manner described in section 1221(c) with respect to the Merit Systems Protection Board.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a)—

(1) shall take effect on the date of the enactment of this Act; and

(2) shall apply with respect to orders issued on or after the date of the enactment of this Act, notwithstanding the provisions of any collective bargaining agreement.

**SEC. 206. COLLECTION AND REPORTING OF TRAINING INFORMATION.**

(a) TRAINING WITHIN GOVERNMENT.—The Office of Personnel Management shall collect information concerning training programs, plans, and methods utilized by agencies of the Government and submit a report to the Congress on this activity on an annual basis.

(b) TRAINING OUTSIDE OF GOVERNMENT.—The Office of Personnel Management, to the extent it considers appropriate in the public interest, may collect information concerning training programs, plans, and methods utilized outside the Government. The Office, on request, may make such information available to an agency and to Congress.

## TITLE III—ENHANCEMENT OF THRIFT SAVINGS PLAN AND CERTAIN OTHER BENEFITS

**SEC. 301. LOANS UNDER THE THRIFT SAVINGS PLAN FOR FURLOUGHED EMPLOYEES.**

Section 8433(g) of title 5, United States Code, is amended by adding at the end the following:

''(6) An employee who has been furloughed due to a lapse in appropriations may not be denied a loan under this subsection solely because such employee is not in a pay status.''.

**SEC. 302. DOMESTIC RELATIONS ORDERS.**

(a) IN GENERAL.—Section 8705 of title 5, United States Code, is amended—

(1) in subsection (a) by striking ''(a) The'' and inserting ''(a) Except as provided in subsection (e), the''; and

(2) by adding at the end the following:

''(e)(1) Any amount which would otherwise be paid to a person determined under the order of precedence named by subsection (a) shall be paid (in whole or in part) by the Office to another person if and to the extent expressly provided for in the terms of any court decree of divorce, annulment, or legal separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation.

''(2) For purposes of this subsection, a decree, order, or agreement referred to in paragraph (1) shall not be effective unless it is received, before the date of the covered employee's death, by the employing agency or, if the employee has separated from service, by the Office.

''(3) A designation under this subsection with respect to any person may not be changed except—

''(A) with the written consent of such person, if received as described in paragraph (2); or

''(B) by modification of the decree, order, or agreement, as the case may be, if received as described in paragraph (2).

''(4) The Office shall prescribe any regulations necessary to carry out this subsection, including regulations for the application of this subsection in the event that 2 or more decrees, orders, or agreements, are received with respect to the same amount.''.

(b) DIRECTED ASSIGNMENT.—Section 8706(e) of title 5, United States Code, is amended—

(1) by striking ''(e)'' and inserting ''(e)(1)''; and

(2) by adding at the end the following:

''(2) A court decree of divorce, annulment, or legal separation, or the terms of a court-approved property settlement agreement incidental to any court decree of divorce, annulment, or legal separation, may direct that an insured employee or former employee make an irrevocable assignment of the employee's or former employee's incidents of ownership in insurance under this chapter (if there is no previous assignment) to the person specified in the court order or court-approved property settlement agreement.''.

**SEC. 303. UNREDUCED ADDITIONAL OPTIONAL LIFE INSURANCE.**

(a) IN GENERAL.—Section 8714b of title 5, United States Code, is amended—

(1) in subsection (c)—

(A) by striking the last 2 sentences of paragraph (2); and

(B) by adding at the end the following:

''(3) The amount of additional optional insurance continued under paragraph (2) shall be continued, with or without reduction, in accordance with the employee's written election at the time eligibility to continue insurance during retirement or receipt of compensation arises, as follows:

''(A) The employee may elect to have withholdings cease in accordance with subsection (d), in which case—

''(i) the amount of additional optional insurance continued under paragraph (2) shall be reduced each month by 2 percent effective at the beginning of the second calendar month after the date the employee becomes 65 years of age and is retired or is in receipt of compensation; and

''(ii) the reduction under clause (i) shall continue for 50 months at which time the insurance shall stop.

''(B) The employee may, instead of the option under subparagraph (A), elect to have the full cost of additional optional insurance continue to be withheld from such employee's annuity or compensation on and after the date such withholdings would otherwise cease pursuant to an election under subparagraph (A), in which case the amount of additional optional insurance continued under paragraph (2) shall not be reduced, subject to paragraph (4).

''(C) An employee who does not make any election under the preceding provisions of this paragraph shall be treated as if such employee had made an election under subparagraph (A).

''(4) If an employee makes an election under paragraph (3)(B), that individual may subsequently cancel such election, in which case additional optional insurance shall be determined as if the individual had originally made an election under paragraph (3)(A).''; and

(2) in the second sentence of subsection (d)(1) by inserting ''if insurance is continued as provided in subparagraph (A) of paragraph (3),'' after ''except that,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the 120th day after the date of the enactment of this Act and shall apply to employees who become eligible, on or after such 120th day, to continue additional optional insurance during retirement or receipt of compensation.

## TITLE IV—REORGANIZATION FLEXIBILITY

### SEC. 401. VOLUNTARY REDUCTIONS IN FORCE.

Section 3502(f) of title 5, United States Code, is amended to read as follows:

''(f)(1) The head of an Executive agency or military department may, in accordance with regulations prescribed by the Office of Personnel Management—

''(A) separate from service any employee who volunteers to be separated under this subparagraph even though the employee is not otherwise subject to separation due to a reduction in force; and

''(B) for each employee voluntarily separated under subparagraph (A), retain an employee in a similar position who would otherwise be separated due to a reduction in force.

''(2) The separation of an employee under paragraph (1)(A) shall be treated as an involuntary separation due to a reduction in force, except for purposes of priority placement programs and advance notice.

''(3) An employee with critical knowledge and skills (as defined by the head of the Executive agency or military department concerned) may not participate in a voluntary separation under paragraph (1)(A) if the agency or department head concerned determines that such participation would impair the performance of the mission of the agency or department (as applicable).

''(4) The regulations prescribed under this section shall incorporate the authority provided in this subsection.

''(5) No authority under paragraph (1) may be exercised after September 30, 2001.''.

### SEC. 402. NONREIMBURSABLE DETAILS TO FEDERAL AGENCIES BEFORE A REDUCTION IN FORCE.

(a) IN GENERAL.—Section 3341 of title 5, United States Code, is amended to read as follows:

**''§ 3341. Details; within Executive agencies and military departments; employees affected by reduction in force**

''(a) The head of an Executive agency or military department may detail employees, except those required by law to be engaged exclusively in some specific work, among the bureaus and offices of the agency or department.

''(b) The head of an Executive agency or military department may detail to duties in the same or another agency or department, on a nonreimbursable basis, an employee who has been identified by the employing agency as likely to be separated from the Federal service by reduction in force or who has received a specific notice of separation by reduction in force.

''(c)(1) Details under subsection (a)—

''(A) may not be for periods exceeding 120 days; and

''(B) may be renewed (1 or more times) by written order of the head of the agency or department, in each particular case, for periods not exceeding 120 days each.

''(2) Details under subsection (b)—

''(A) may not be for periods exceeding 90 days; and

''(B) may not be renewed.

''(d) The 120-day limitation under subsection (c)(1) for details and renewals of details does not apply to the Department of Defense in the case of a detail—

''(1) made in connection with the closure or realignment of a military installation pursuant to a base closure law or an organizational restructuring of the Department as part of a reduction in the size of the armed forces or the civilian workforce of the Department; and

''(2) in which the position to which the employee is detailed is eliminated on or before the date of the closure, realignment, or restructuring.

''(e) For purposes of this section—

''(1) the term 'base closure law' means—

''(A) section 2687 of title 10;

''(B) title II of the Defense Authorization Amendments and Base Closure and Realignment Act; and

''(C) the Defense Base Closure and Realignment Act of 1990; and

''(2) the term 'military installation'—

''(A) in the case of an installation covered by section 2687 of title 10, has the meaning given such term in subsection (e)(1) of such section;

''(B) in the case of an installation covered by the Act referred to in subparagraph (B) of paragraph (1), has the meaning given such term in section 209(6) of such Act; and

''(C) in the case of an installation covered by the Act referred to in subparagraph (C) of paragraph (1), has the meaning given such term in section 2910(4) of such Act.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 33 of title 5, United States Code, is amended by striking the item relating to section 3341 and inserting the following:

''3341. Details; within Executive agencies and military departments; employees affected by reduction in force.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 30 days after the date of the enactment of this Act.

## TITLE V—SOFT-LANDING PROVISIONS

### SEC. 501. TEMPORARY CONTINUATION OF FEDERAL EMPLOYEES' LIFE INSURANCE.

Section 8706 of title 5, United States Code, is amended by adding at the end the following:

''(g)(1) Notwithstanding subsections (a) and (b) of this section, an employee whose coverage under this chapter would otherwise terminate due to a separation described in paragraph (3) shall be eligible to continue basic insurance coverage described in section 8704 in accordance with this subsection and regulations the Office may prescribe, if the employee arranges to pay currently into the Employees Life Insurance Fund, through the former employing agency or, if an annuitant, through the responsible retirement system, an amount equal to the sum of—

''(A) both employee and agency contributions which would be payable if separation had not occurred; plus

''(B) an amount, determined under regulations prescribed by the Office, to cover necessary administrative expenses, but not to exceed 2 percent of the total amount under subparagraph (A).

''(2) Continued coverage under this subsection may not extend beyond the date which is 18 months after the effective date of the separation which entitles a former employee to coverage under this subsection. Termination of continued coverage under this subsection shall be subject to provision for temporary extension of life insurance coverage and for conversion to an individual policy of life insurance as provided by subsection (a). If an eligible employee does not make an election for purposes of this subsection, the employee's insurance will terminate as provided by subsection (a).

''(3)(A) This subsection shall apply to an employee who, on or after the date of enactment of this subsection and before the applicable date under subparagraph (B)—

''(i) is involuntarily separated from a position due to a reduction in force, or separates voluntarily from a position the employing agency determines is a 'surplus position' as defined by section 8905(d)(4)(C); and

''(ii) is insured for basic insurance under this chapter on the date of separation.

''(B) The applicable date under this subparagraph is October 1, 2001, except that, for purposes of any involuntary separation referred to in subparagraph (A) with respect to which appropriate specific notice is afforded to the affected employee before October 1, 2001, the applicable date under this subparagraph is February 1, 2002.''.

### SEC. 502. CONTINUED ELIGIBILITY FOR HEALTH INSURANCE.

(a) CONTINUED ELIGIBILITY AFTER RETIREMENT.—Section 8905 of title 5, United States Code, is amended—

(1) in the first sentence of subsection (b) by striking ''An'' and inserting ''Subject to subsection (g), an''; and

(2) by adding at the end the following:

''(g)(1) The Office shall waive the requirements for continued enrollment under subsection (b) in the case of any individual who, on or after the date of the enactment of this subsection and before the applicable date under paragraph (2)—

''(A) is involuntarily separated from a position, or voluntarily separated from a surplus position, in or under an Executive agency due to a reduction in force,

''(B) based on the separation referred to in subparagraph (A), retires on an immediate annuity under subchapter III of chapter 83 or subchapter II of chapter 84, and

''(C) is enrolled in a health benefits plan under this chapter as an employee immediately before retirement.

''(2) The applicable date under this paragraph is October 1, 2001, except that, for purposes of any involuntary separation referred to in paragraph (1)(A) with respect to which appropriate specific notice is afforded to the affected employee before October 1, 2001, the applicable date under this paragraph is February 1, 2002.

''(3) For purposes of this subsection, the term 'surplus position', with respect to an agency, means any position determined in accordance with regulations under section 8905a(d)(4)(C) for such agency.''.

(b) TEMPORARY CONTINUED ELIGIBILITY AFTER BEING INVOLUNTARILY SEPARATED.—Section 8905a(d)(4) of title 5, United States Code, is amended—

(1) in subparagraph (A) by striking ''the Department of Defense'' and inserting ''an Executive agency''; and

(2) by amending subparagraph (C) to read as follows:

''(C) For purposes of this paragraph, the term 'surplus position' means a position that, as determined under regulations prescribed by the head of the agency involved, is identified during planning for a reduction in force as being no longer required and is designated for elimination during the reduction in force.''.

### SEC. 503. JOB PLACEMENT AND COUNSELING SERVICES.

(a) AUTHORITY FOR SERVICES.—The head of each Executive agency may establish a program to provide job placement and counseling services to current and former employees.

(b) TYPES OF SERVICES AUTHORIZED.—A program established under this section may include such services as—

(1) career and personal counseling;

(2) training in job search skills; and

(3) job placement assistance, including assistance provided through cooperative arrangements with State and local employment service offices.

(c) ELIGIBILITY FOR SERVICES.—Services authorized by this section may be provided to—

(1) current employees of the agency or, with the approval of such other agency, any other agency; and

(2) employees of the agency or, with the approval of such other agency, any other agency who have been separated for less than 1 year, if the separation was not a removal for cause on charges of misconduct or delinquency.

(d) REIMBURSEMENT FOR COSTS.—The costs of services provided to current or former employees of another agency shall be reimbursed by that agency.

**SEC. 504. EDUCATION AND RETRAINING INCENTIVES.**

(a) NON-FEDERAL EMPLOYMENT INCENTIVE PAYMENTS.—

(1) DEFINITIONS.—For purposes of this subsection—

(A) the term ''eligible employee'' means an employee who is involuntarily separated from a position, or voluntarily separated from a surplus position, in or under an Executive agency due to a reduction in force, except that such term does not include an employee who, at the time of separation, meets the age and service requirements for an immediate annuity under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, other than under section 8336(d) or 8414(b) of such title;

(B) the term ''non-Federal employer'' means an employer other than the Government of the United States or any agency or other instrumentality thereof;

(C) the term ''Executive agency'' has the meaning given such term by section 105 of title 5, United States Code; and

(D) the term ''surplus position'' has the meaning given such term by section 8905(d)(4)(C) of title 5, United States Code.

(2) AUTHORITY.—The head of an Executive agency may pay retraining and relocation incentive payments, in accordance with this subsection, in order to facilitate the reemployment of eligible employees who are separated from such agency.

(3) RETRAINING INCENTIVE PAYMENT.—

(A) AGREEMENT.—The head of an Executive agency may enter into an agreement with a non-Federal employer under which the non-Federal employer agrees—

(i) to employ an individual referred to in paragraph (2) for at least 12 months for a salary which is mutually agreeable to the employer and such individual; and

(ii) to certify to the agency head any costs incurred by the employer for any necessary training provided to such individual in connection with the employment by such employer.

(B) PAYMENT OF RETRAINING INCENTIVE PAYMENT.—The agency head shall pay a retraining incentive payment to the non-Federal employer upon the employee's completion of 12 months of continuous employment by that employer. The agency head shall prescribe the amount of the incentive payment.

(C) PRORATION RULE.—The agency head shall pay a prorated amount of the full retraining incentive payment to the non-Federal employer for an employee who does not remain employed by the non-Federal employer for at least 12 months, but only if the employee remains so employed for at least 6 months.

(D) LIMITATION.—In no event may the amount of the retraining incentive payment paid for the training of any individual exceed the amount certified for such individual under subparagraph (A), subject to subsection (c).

(4) RELOCATION INCENTIVE PAYMENT.—The head of an agency may pay a relocation incentive payment to an eligible employee if it is necessary for the employee to relocate in order to commence employment with a non-Federal employer. Subject to subsection (e), the amount of the incentive payment shall not exceed the amount that would be payable for travel, transportation, and subsistence expenses under subchapter II of chapter 57 of title 5, United States Code, including any reimbursement authorized under section 5724b of such title, to a Federal employee who transfers between the same locations as the individual to whom the incentive payment is payable.

(5) DURATION.—No incentive payment may be paid for training or relocation commencing after June 30, 2002.

(6) SOURCE.—An incentive payment under this subsection shall be payable from appropriations or other funds available to the agency for purposes of training (within the meaning of section 4101(4) of title 5, United States Code).

(b) EDUCATIONAL ASSISTANCE.—

(1) DEFINITIONS.—For purposes of this subsection—

(A) the term ''eligible employee'' means an eligible employee, within the meaning of subsection (a), who —

(i) is employed full-time on a permanent basis;

(ii) has completed at least 3 years of current continuous service in any Executive agency or agencies; and

(iii) is admitted to an institution of higher education within 1 year after separation;

(B) the term ''Executive agency'' has the meaning given such term by section 105 of title 5, United States Code;

(C) the term ''educational assistance'' means payments for educational assistance as provided in section 127(c)(1) of the Internal Revenue Code of 1986 (26 U.S.C. 127(c)(1)); and

(D) the term ''institution of higher education'' has the meaning given such term by section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(2) AUTHORITY.—Under regulations prescribed by the Office of Personnel Management, and subject to the limitations under subsection (c), the head of an Executive agency may, in his or her discretion, provide educational assistance under this subsection to an eligible employee for a program of education at an institution of higher education after the separation of the employee.

(3) DURATION.—No educational assistance under this subsection may be paid later than 10 years after the separation of the eligible employee.

(4) SOURCE.—Educational assistance payments shall be payable from appropriations or other funds which would have been used to pay the salary of the eligible employee if the employee had not separated.

(5) REGULATIONS.—The Office of Personnel Management shall prescribe regulations for the administration of this subsection. Such regulations shall provide that educational assistance payments shall be limited to amounts necessary for current tuition and fees only.

(c) LIMITATIONS.—

(1) AGGREGATE LIMITATION.—No incentive payment or educational assistance payment may be paid under this section to or on behalf of any individual to the extent that such amount would cause the aggregate amount otherwise paid or payable under this section, to or on behalf of such individual, to exceed $10,000.

(2) LIMITATION RELATING TO EDUCATIONAL ASSISTANCE.—The total amount paid under subsection (b) to any individual—

(A) may not exceed $6,000 if the individual has at least 3 but less than 4 years of qualifying service; and

(B) may not exceed $8,000 if the individual has at least 4 but less than 5 years of qualifying service.

(3) QUALIFYING SERVICE.—For purposes of paragraph (2), the term ''qualifying service'' means service performed as an employee, within the meaning of section 2105 of title 5, United States Code, on a permanent full-time or permanent part-time basis (counting part-time service on a prorated basis).

## TITLE VI—MISCELLANEOUS

**SEC. 601. REIMBURSEMENTS RELATING TO PROFESSIONAL LIABILITY INSURANCE.**

(a) AUTHORITY.—Notwithstanding any other provision of law, any amounts appropriated, for fiscal year 1997 or any fiscal year thereafter, for salaries and expenses of Government employees may be used to reimburse any qualified employee for not to exceed one-half the costs incurred by such employee for professional liability insurance. A payment under this section shall be contingent upon the submission of such information or documentation as the employing agency may require.

(b) QUALIFIED EMPLOYEE.—For purposes of this section, the term ''qualified employee'' means—

(1) an agency employee whose position is that of a law enforcement officer;

(2) an agency employee whose position is that of a supervisor or management official; or

(3) such other employee as the head of the agency considers appropriate

(c) DEFINITIONS.—For purposes of this section—

(1) the term ''agency'' means an Executive agency, as defined by section 105 of title 5, United States Code;

(2) the term ''law enforcement officer'' means an employee, the duties of whose position are primarily the investigation, apprehension, prosecution, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States, including any law enforcement officer under section 8331(20) or 8401(17) of such title 5;

(3) the terms ''supervisor'' and ''management official'' have the respective meanings given them by section 7103(a) of such title 5; and

(4) the term ''professional liability insurance'' means insurance which provides coverage for—

(A) legal liability for damages due to injuries to other persons, damage to their property, or other damage or loss to such other persons (including the expenses of litigation and settlement) resulting from or arising out of any tortious act, error, or omission of the covered individual (whether common law, statutory, or constitutional) while in the performance of such individual's official duties as a qualified employee; and

(B) the cost of legal representation for the covered individual in connection with any administrative or judicial proceeding (including any investigation or disciplinary proceeding) relating to any act, error, or omission of the covered individual while in the performance of such individual's official duties as a qualified employee, and other legal costs and fees relating to any such administrative or judicial proceeding.

(d) POLICY LIMITS.—

(1) IN GENERAL.—Reimbursement under this section shall not be available except in the case of any professional liability insurance policy providing for—

(A) not to exceed $1,000,000 of coverage for legal liability (as described in subsection (c)(4)(A)) per occurrence per year; and

(B) not to exceed $100,000 of coverage for the cost of legal representation (as described in subsection (c)(4)(B)) per occurrence per year.

(2) ADJUSTMENTS.—The head of an agency may from time to time adjust the respective dollar amount limitations applicable under this subsection to the extent that the head of such agency considers appropriate to reflect inflation.

**SEC. 602. EMPLOYMENT RIGHTS FOLLOWING CONVERSION TO CONTRACT.**

(a) IN GENERAL.—An employee whose position is abolished because an activity performed by an Executive agency (within the meaning of section 105 of title 5, United States Code) is converted to contract shall receive from the contractor an offer in good faith of a right of first refusal of employment under the contract for a position for which the employee is deemed qualified based upon previous knowledge, skills, abilities, and experience. The contractor shall not offer employment under the contract to any person prior to having complied fully with this obligation, except as provided in subsection (b), or unless no employee whose position is abolished because such activity has been converted to contract can demonstrate appropriate qualifications for the position.

(b) EXCEPTION.—Notwithstanding the contractor's obligation under subsection (a), the contractor is not required to offer a right of first refusal to any employee who, in the 12 months preceding conversion to contract, has been the subject of an adverse personnel action related to misconduct or has received a less than fully successful performance rating.

(c) LIMITATION.—No employee shall have a right to more than 1 offer under this section based on any particular separation due to the conversion of an activity to contract.

(d) REGULATIONS.—Regulations to carry out this section may be prescribed by the President.

**SEC. 603. DEBARMENT OF HEALTH CARE PROVIDERS FOUND TO HAVE ENGAGED IN FRAUDULENT PRACTICES.**

(a) IN GENERAL.—Section 8902a of title 5, United States Code, is amended—

(1) in subsection (a)(2)(A) by striking ''subsection (b) or (c)'' and inserting ''subsection (b), (c), or (d)'';

(2) in subsection (b)—

(A) by striking ''may'' and inserting ''shall'' in the matter before paragraph (1); and

(B) by amending paragraph (5) to read as follows:

''(5) Any provider that is currently suspended or excluded from participation under any program of the Federal Government involving procurement or nonprocurement activities.'';

(3) by redesignating subsections (c) through (i) as subsections (d) through (j), respectively, and by inserting after subsection (b) the following:

''(c) The Office may bar the following providers of health care services from participating in the program under this chapter:

''(1) Any provider—

''(A) whose license to provide health care services or supplies has been revoked, suspended, restricted, or not renewed, by a State licensing authority for reasons relating to the provider's professional competence, professional performance, or financial integrity; or

''(B) that surrendered such a license while a formal disciplinary proceeding was pending before such an authority, if the proceeding concerned the provider's professional competence, professional performance, or financial integrity.

''(2) Any provider that is an entity directly or indirectly owned, or with a 5 percent or more controlling interest, by an individual who is convicted of any offense described in subsection (b), against whom a civil monetary penalty has been assessed under subsection (d), or who has been excluded from participation under this chapter.

''(3) Any provider that the Office determines, in connection with claims presented under this chapter, has charged for health care services or supplies in an amount substantially in excess of such provider's customary charges for such services or supplies (unless the Office finds there is good cause for such charge), or charged for health care services or supplies which are substantially in excess of the needs of the covered individual or which are of a quality that fails to meet professionally recognized standards for such services or supplies.

''(4) Any provider that the Office determines has committed acts described in subsection (d).'';

(4) in subsection (d), as so redesignated by paragraph (3), by amending paragraph (1) to read as follows:

''(1) in connection with claims presented under this chapter, that a provider has charged for a health care service or supply which the provider knows or should have known involves—

''(A) an item or service not provided as claimed;

''(B) charges in violation of applicable charge limitations under section 8904(b); or

''(C) an item or service furnished during a period in which the provider was excluded from participation under this chapter pursuant to a determination by the Office under this section, other than as permitted under subsection (g)(2)(B);'';

(5) in subsection (f), as so redesignated by paragraph (3), by inserting ''(where such debarment is not mandatory)'' after ''under this section'' the first place it appears;

(6) in subsection (g), as so redesignated by paragraph (3)—

(A) by striking ''(g)(1)'' and all that follows through the end of paragraph (1) and inserting the following:

''(g)(1)(A) Except as provided in subparagraph (B), debarment of a provider under subsection (b) or (c) shall be effective at such time and upon such reasonable notice to such provider, and to carriers and covered individuals, as shall be specified in regulations prescribed by the Office. Any such provider that is excluded from participation may request a hearing in accordance with subsection (h)(1).

''(B) Unless the Office determines that the health or safety of individuals receiving health care services warrants an earlier effective date, the Office shall not make a determination adverse to a provider under subsection (c)(4) or (d) until such provider has been given reasonable notice and an opportunity for the determination to be made after a hearing as provided in accordance with subsection (h)(1).'';

(B) in paragraph (3)—

(i) by inserting ''of debarment'' after ''notice''; and

(ii) by adding at the end the following: ''In the case of a debarment under paragraphs (1) through (4) of subsection (b), the minimum period of exclusion shall not be less than 3 years, except as provided in paragraph (4)(B)(ii).''; and

(C) in paragraph (4)(B)(i)(I) by striking ''subsection (b) or (c)'' and inserting ''subsection (b), (c), or (d)'';

(7) in subsection (h), as so redesignated by paragraph (3), by striking ''(h)(1)'' and all that follows through the end of paragraph (2) and inserting the following:

''(h)(1) Any provider of health care services or supplies that is the subject of an adverse determination by the Office under this section shall be entitled to reasonable notice and an opportunity to request a hearing of record, and to judicial review as provided in this subsection after the Office renders a final decision. The Office shall grant a request for a hearing upon a showing that due process rights have not previously been afforded with respect to any finding of fact which is relied upon as a cause for an adverse determination under this section. Such hearing shall be conducted without regard to subchapter II of chapter 5 and chapter 7 of this title by a hearing officer who shall be designated by the Director of the Office and who shall not otherwise have been involved in the adverse determination being appealed. A request for a hearing under this subsection must be filed within such period and in accordance with such procedures as the Office shall prescribe by regulation.

''(2) Any provider adversely affected by a final decision under paragraph (1) made after a hearing to which such provider was a party may seek review of such decision in the United States District Court for the District of Columbia or for the district in which the plaintiff resides or has his principal place of business by filing a notice of appeal in such court within 60 days from the date the decision is issued and simultaneously sending copies of such notice by certified mail to the Director of the Office and to the Attorney General. In answer to the appeal, the Director of the Office shall promptly file in such court a certified copy of the transcript of the record, if the Office conducted a hearing, and other evidence upon which the findings and decision complained of are based. The court shall have power to enter, upon the pleadings and evidence of record, a judgment affirming, modifying, or setting aside, in whole or in part, the decision of the Office, with or without remanding the cause for a rehearing. The district court shall not set aside or remand the decision of the Office unless there is not substantial evidence on the record, taken as a whole, to support the findings by the Office of a cause for action under this section or unless action taken by the Office constitutes an abuse of discretion.''; and

(8) in subsection (i), as so redesignated by paragraph (3)—

(A) by striking ''subsection (c)'' and inserting ''subsection (d)''; and

(B) by adding at the end the following: ''The amount of a penalty or assessment as finally determined by the Office, or other amount the Office may agree to in compromise, may be deducted from any sum then or later owing by the United States to the party against whom the penalty or assessment has been levied.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTIONS.—(A) Paragraphs (2) and (4) of section 8902a(c) of title 5, United States Code, as amended by subsection (a), shall apply only to the extent that the misconduct which is the basis for debarment thereunder occurs after the date of the enactment of this Act.

(B) Section 8902a(d)(1)(B) of title 5, United States Code, as amended by subsection (a), shall apply only with respect to charges which violate section 8904(b) of such title 5 for items and services furnished after the date of the enactment of this Act.

(C) Section 8902a(g)(3) of title 5, United States Code, as amended by subsection (a), shall apply only with respect to debarments based on convictions occurring after the date of the enactment of this Act.

**SEC. 604. CONSISTENT COVERAGE FOR INDIVIDUALS ENROLLED IN A HEALTH PLAN ADMINISTERED BY THE FEDERAL BANKING AGENCIES.**

Section 5 of the FEGLI Living Benefits Act (Public Law 103–409; 108 Stat. 4232) is amended—

(1) by inserting ''and the Board of Governors of the Federal Reserve System'' after ''Office of the Comptroller of the Currency and the Office of Thrift Supervision'' each place it appears;

(2) in subsection (a), by inserting ''or under a health benefits plan not governed by chapter 89 of such title in which employees and retirees of the Board of Governors of the Federal Reserve System participated before January 4, 1997,'' after ''January 7, 1995,'';

(3) in subsection (b)—

(A) by inserting ''(in the case of the Comptroller of the Currency and the Office of Thrift Supervision) or on January 4, 1997 (in the case of the Board of Governors of the Federal Reserve System)'' after ''on January 7, 1995'' each place it appears;

(B) by inserting '', or in which employees and retirees of the Board of Governors of the Federal Reserve System participate,'' after ''Office of the Comptroller of the Currency or the Office of Thrift Supervision'' each place it appears; and

(C) by inserting ''(in the case of the Comptroller of the Currency and the Office of Thrift Supervision) or after January 5, 1997 (in the case of the Board of Governors of the Federal Reserve System)'' after ''January 8, 1995'' each place it appears;

(4) in subsection (b)(1)(A), by striking ''title;'' and inserting ''title or a retiree (as defined in subsection (e);''; and

(5) by adding at the end the following:

''(e) DEFINITION.—For purposes of this section, the term 'retiree' shall mean an individual who is receiving benefits under the Retirement Plan for Employees of the Federal Reserve System.''.

**SEC. 605. AMENDMENT TO PUBLIC LAW 104–134.**

Paragraph (3) of section 3110(b) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134; 110 Stat. 1321–343) is amended to read as follows:

''(3) The Corporation shall pay to the Thrift Savings Fund such employee and agency contributions as are required by sections 8432 and 8351 of title 5, United States Code, for those employees who elect to retain their coverage under the Civil Service Retirement System or the Federal Employees' Retirement System pursuant to paragraph (1).''.

**SEC. 606. MISCELLANEOUS AMENDMENTS RELATING TO THE HEALTH BENEFITS PROGRAM FOR FEDERAL EMPLOYEES.**

(a) DEFINITION OF A CARRIER.—Paragraph (7) of section 8901 of title 5, United States Code, is amended by striking ''organization;'' and inserting ''organization and the Government-wide service benefit plan sponsored by an association of organizations described in this paragraph;''.

(b) SERVICE BENEFIT PLAN.—Paragraph (1) of section 8903 of title 5, United States Code, is amended by striking ''plan,'' and inserting ''plan, underwritten by participating affiliates licensed in any number of States,''.

(c) PREEMPTION.—Section 8902(m) of title 5, United States Code, is amended by striking ''(m)(1)'' and all that follows through the end of paragraph (1) and inserting the following:

''(m)(1) The terms of any contract under this chapter which relate to the nature, provision, or extent of coverage or benefits (including payments with respect to benefits) shall supersede and preempt any State or local law, or any regulation issued thereunder, which relates to health insurance or plans.''.

**SEC. 607. PAY FOR CERTAIN POSITIONS FORMERLY CLASSIFIED AT GS–18.**

Notwithstanding any other provision of law, the rate of basic pay for positions that were classified at GS–18 of the General Schedule on the date of the enactment of the Federal Employees Pay Comparability Act of 1990 shall be set and maintained at the rate equal to the highest rate of basic pay for the Senior Executive Service under section 5382(b) of title 5, United States Code.

**SEC. 608. REPEAL OF SECTION 1307 OF TITLE 5 OF THE UNITED STATES CODE.**

(a) IN GENERAL.—Section 1307 of title 5, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 13 of title 5, United States Code, is amended by repealing the item relating to section 1307.

**SEC. 609. EXTENSION OF CERTAIN PROCEDURAL AND APPEAL RIGHTS TO CERTAIN PERSONNEL OF THE FEDERAL BUREAU OF INVESTIGATION.**

(a) IN GENERAL.—Section 7511(b)(8) of title 5, United States Code, is amended by striking ''the Federal Bureau of Investigation,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to any personnel action taking effect after the end of the 45-day period beginning on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. MICA] and the gentlewoman from Illinois [Mrs. COLLINS] each will control 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to bring before the Congress the Omnibus Civil Service Reform Act of 1996. This is significant legislation for our Federal employees and the taxpayers they serve. It is my hope that it will improve the performance and accountability of Federal employees, rewarding those who work hard and obey the rules. This bill will soften the impact of Government downsizing on dedicated Federal employees. And it will address a wide variety of other problems. For example, it will give the Office of Personnel Management the tools it needs to deal swiftly with anyone who tries to defraud the Federal Health Benefits Program.

This bill is the product of hard work by Members from both sides of the aisle. I want to thank the distinguished gentlelady from Maryland of [Mrs. MORELLA]. She has been an active and effective champion of Federal employees, and she has made invaluable contributions to this legislation. Both FRANK WOLF and TOM DAVIS, distinguished Representatives from Virginia, have also made significant contributions to this bill. Thanks are also due to another Virginian, JIM MORAN, the distinguished ranking member of the Civil Service Subcommittee. His leadership, diligence, and willingness to work with Members of both parties are very much appreciated.

PERFORMANCE MANAGEMENT

No part of this bill, Mr. Speaker, is more important to taxpayers and to the many dedicated Federal employees than title two. This title sends the right message—loud and clear—to Federal employees and taxpayers alike: Good performance will be rewarded. Performance management in the Federal Government is strengthened. Federal managers are given important tools so they can correct problems when they occur. More important, this bill rewards employees for their good work.

Under this bill, managers need not place poor performers repeatedly on Performance Improvement Plans. Agencies should not have to waste precious resources dealing with chronic poor performers.

But the cornerstone of this title is section 201. This section increases the weight given to performance on the job during a reduction in force. Although seniority would remain an important factor in determining who remains after a reduction in force, outstanding performance will now be properly considered and credited. This is especially important for employees with less than 15 years of service. As we downsize the Federal workforce and restructure agencies, we must assure taxpayers that the Government will retain its most productive employees. We must also reward and recognize those productive employees.

REORGANIZATION FLEXIBILITY AND SOFT LANDINGS

This bill also contains provisions that give Federal agencies additional flexibility in restructuring and soften the impact of downsizing on individual employees. Under this bill, agencies can allow individuals to volunteer to be separated in reductions in force. It also allows agencies to make 90-day nonreimbursable details of individuals targeted for RIF to other agencies. In effect, this given the employee a 90-day tryout with a new agency.

Other provisions provide a safety net to separated employees by providing continuity of health and life insurance. Agencies are also authorized to establish job placement and counseling services. The bill authorizes relocation and retraining assistance to separated employees who take jobs in the private sector and educational assistance to help them develop new skills. Finally, this bill guarantees Federal employees whose jobs are contracted the right of first refusal for those jobs with the contractor.

OTHER PROVISIONS

Numerous provisions provide the Administration with tools to deal with existing problems in the civil service system. Title I significantly expands demonstration authority to experiment with new ways of managing personnel. This was high on the Administration's list of priorities for civil service reform. The bill also gives the Administration authority to debar health care providers found to have engaged in fraudulent practices. This is an important tool for the Office of Personnel Management to use in the fight against fraud and abuse in the Federal Employees Health Benefit Program.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Virginia [Mr. MORAN] to control the time.

Mr. MORAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Florida [Mr. MICA] for his kind words and for bringing up this bill.

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Mr. Speaker, this is a shadow of its former self. We had a number of provisions in this that I think would have gone a long ways towards reforming some of the parts of the civil service system that really need to be addressed; for example, the appeals process. Right now people with mixed appeals can decide they want to appeal a grievance to the Merit System Protection Board or the Equal Employment Opportunity Commission or the National Federal Labor Relations Board. They have got any number of choices, and if they really want to obstruct the process of appealing and make it very difficult for a manager to discipline an employee, that employee has any number of ways to punish the manager for even attempting to do so.

So what we wanted to do was to tell the employee, pick one appeals process. Speed up the process. We do not have enough time, with all the responsibilities of the Federal Government, to get bogged down in simply these structural appeals processes that have much more to do with process than with progress.

Another thing that we wanted to do was to give more discretion to managers and to employees. One of the things that seemed to make a compelling amount of common sense was to require that when there was an employee grievance they ought to engage in the alternative dispute resolution process, sit down, see if the manager and the employee first cannot work it out, until you get into this very legalistic structure. The gentlewoman from the District of Columbia, Ms. NORTON, supported that very strongly from her experience with the EEOC. We did not get anyplace on it. Those are the kinds of things that really should have been included.

Now there are some very important provisions that are still included, provisions that will help employees that may be adversely effected through Federal downsizing. For example, if an employee is RIF'd, the Federal Government would pay 100 percent of their health insurance premium for 18 months. Currently, although the Federal employee can keep their health insurance, they have to pay all of it. Excuse me, the employer would continue to pay the employer's share, which is 72 percent. Life insurance we would extend for another 18 months, until the person gets a job.

These are called soft landing provisions.

There is a provision I put in where an agency can provide money for education and training for an employee being RIF'd. That seemed to make a lot of sense. We have a provision that gives preference for people within the same Federal agency to find other jobs if they are being RIF'd, again a common sense measure. Those measures need to be passed now.

Unfortunately, we have a provision in, and I can understand why it is in because I support the concept, which may be a killer provision. The Senate says they will not accept it because it is controversial. As a result, if it is included, this bill is not going to go anywhere this session.

What that provision does is to give added weight to performance. If an employee gets an outstanding performance rating instead of a satisfactory or a fully satisfactory, it may sound semantic, but they are quite different in terms of the points that they would get. An outstanding rating in 1 year gives you 10 points. If it is only satisfactory, you only get 5 points. That would be added to 1 point for every year of service.

Now for people that got outstanding ratings in the 3 years prior to being RIF'd, they could get as much as 30 points added onto their length of service. Somebody that did not get even a satisfactory rating but that had 30 years of service themselves, they would be equally treated.

Now many people say that leaves too much subjective judgment to the manager, to the person running the program, to the person making that evaluation, and so it is a very controversial measure. It is something we could have worked out perhaps in conference with the Senate, we could have worked out if we had more time. We do not have any more time left in this session to work that type of controversial provision out. I understand why it is in, but I am afraid by keeping it in this bill, despite all our hard work and despite the very important provisions that provide soft landing for Federal employees, they are not gong to be enacted this year because of that provision.

I think the debate we are going to hear is going to largely center on that one provision. It would probably not give the amount of attention that ought to be given to the other provisions, solely because the other provision are really not all that controversial.

After working on this for almost 2 years, it saddens me to realize that this may very well not become law, but if that is the case, we will know why, and we will just have to let the chips fall where they may. I appreciate the fact that the gentleman from Florida [Mr. MICA] has gotten this bill to the floor, I appreciate the work he has put into it, and I also appreciate the leadership that the gentleman from Pennsylvania [Mr. CLINGER] has given, and the ranking Democrat member of the full committee, the gentlewoman from Illinois [Mrs. COLLINS].

Mr. Speaker, I reserve the balance of my time.

Mr. MICA. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. CLINGER], the distinguished chairman of our full committee.

Mr. CLINGER. Mr. Speaker, I am pleased to support H.R. 3841, the Omnibus Civil Service Reform Act. This is a significant piece of legislation for our Federal employees and the people they serve. Laws governing the Federal civil service have not had a major revision since the civil Service Reform Act of 1978. Throughout the 104th Congress, the Civil Service Subcommittee has conducted nearly 20 oversight hearings on Federal human resource management policies. This piece of legislation is a praiseworthy culmination of that work.

Due to the reductions in personnel, agencies need additional tools for improving employee performance. Section 201 of the bill goes a long way toward ensuring that the Federal Government continues to efficiently serve the American public as the Government downsizes.

Mr. Speaker, section 201 puts increased emphasis upon performance in determining who is retained during a reduction in force, or RIF. As agencies downsize, Federal managers no longer will be forced to retain those who have been on the job the longest and release employees who consistently outperform senior employees. Performance must be rewarded. Instead of retaining only those who have been on the job a long time, we recognize those employees who have done the most with the time they have been on the job.

Under this section, employees will be credited with additional years of service based on the sum of their three most recent performance ratings preceding the RIF. Employees will earn 5 years of additional service for each rating of fully successful, 7 years for each rating of exceeds fully successful performance, or 10 years for each rating of outstanding.

This section, Mr. Speaker, also establishes rules for crediting years of service when an agency uses a pass/fail appraisal system. Pass/fail systems are unfair to employees because they do not allow for recognition of the extra effort put in by many Federal employees. Nevertheless, this administration has been aggressively promoting this unfair performance review system. Section 201, therefore, establishes rules to separate competition among employees in different performance systems. These rules assume that employees are treated equitably when their agency has more than one performance evaluation system and that employees in the same competitive area are not adversely affected as a result of having been covered by different performance systems.

Finally, Mr. Speaker, the performance rules established in this section will be applied to RIF's taking effect on or after October 1, 1999. The bill purposefully delays implementation of the stronger performance requirements in order to allow agencies to strengthen their internal management systems. This will help ensure fairness across agencies in the executive branch.

In closing, Mr. Speaker, I would strongly urge my colleagues to support this bill. It is a good bill. It will promote effectiveness and efficiency in the

Federal Government by recognizing and regarding the people on whom we rely to enforce the laws we pass. Again I commend the gentleman from Florida [Mr. MICA], the gentleman from Virginia [Mr. MORAN], and my colleague and ranking member, the gentlewoman from Illinois [Mrs. COLLINS], for the work and the willingness to allow this legislation to be considered today.

Mr. MORAN. Mr. Speaker, I yield 5 minutes to the gentlewoman from Illinois [Mrs. COLLINS] the ranking minority member of the full committee.

(Mrs. COLLINS of Illinois asked and was given permission to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, it is with considerable regret that I rise in opposition to H.R. 3841, the Omnibus Civil Service Reform Act. I know well the amount of time and effort that the subcommittee's ranking member, JIM MORAN, and its chairman, JOHN MICA, have put into the measure during the 104th Congress; however, the bill they have crafted is flawed in one important and fatal respect: It contains section 201 which would replace a flexible regulatory system with a new statutory formula for determining the order in which employees are to be separated during a reduction-in-force [RIF].

The new formula would devalue the use of seniority and replace it with highly subjective ratings. Because the majority is unwilling to purge or at least modify the provision which many on our side find objectionable, what would otherwise by a very desirable and bipartisan bill may actually fail.

During full committee consideration of this legislation, section 201 of the bill became the target of an amendment that was going to be offered by my colleague from Florida, Congresswoman CARRIE MEEK, who opposed it because she believed as I do, that the current regulatory framework provided a ore appropriate and flexible means to manage a RIF.

After considerable debate and negotiation, an agreement was reached which led her to suspend her opposition to the provision, thereby enabling the bill to be approved by the committee by a voice vote. What was supposed to follow the markup was a serious effort on the part of the majority staff to work with minority and affected groups to further refine the language of section 201 so that it would better meet Congresswoman MEEK's concerns. Unfortunately, these efforts failed. The language which the majority staff put forward proved to be even more rigid and cumbersome.

Congresswoman MEEK and I are not alone in voicing opposition to section 201 of this bill. During the subcommittee's hearing on the measure which occurred prior to the mark-ups, the Office of Personnel Management, the three major Federal employee unions, as well as the three of the associations representing Federal managers and executives all testified in opposition to this provision. They strenuously argued that a regulatory rather than a statutory approach to crediting performance in connection with a RIF would make it more possible for agencies to address inequities and disparities which might result. Their thoughtful observations and those of others have gone unheeded by the bill's managers. I ask my colleagues not to ignore them today.

The hearing testimony and the subsequent research conducted by Congresswoman MEEK and my own staff has identified three basic problems that would be made worse by the implementation of section 201:

First, performance appraisals are routinely challenged as being subjective and unfair, overinflated, and biased against minorities. Just a few years ago, when the Performance Management and Recognition System for mid-level managers was in place, which tied cash awards to performance ratings, those employees subject to it asked the Congress to let it sunset because of complaints it was corrupted by favoritism. As the result, the trend in Government has been to move away from the highly subjective multilevel rating systems and toward the use of more simplistic pass/fail rating systems. Section 201 was specifically designed by the subcommittee's chairman and his staff to discourage the growing use of pass/fail appraisal systems.

Second, it is not unusual for divisions, bureaus, or units within the same agency to utilize different types of performance appraisal systems. Under existing regulations, agencies have been free to have five, four, three, or two-level rating systems. Merging employees from different rating systems into the same competitive area for the purpose of conducting an agencywide RIF could result in inequities under section 201's formula because of the way in which it more favorably credits employees from multilevel rating systems.

Third, a report issued just last month by the Merit Systems Protection Board [MSPB], entitled ''Fair & Equitable Treatment: A Progress Report on Minority Employment in the Federal Government,'' indicates that minorities are better represented within the Federal workforce than they are within the private sector. Data obtained by Congresswoman MEEK from the Office of Personnel Management [OPM] on the length of service of African-Americans and other minority groups within the Federal workforce reveals that African-Americans have an above average length of service.

The information from MSPB and OPM, taken together, would appear to suggest that the Federal Government has been a primary source of job opportunities for African-Americans and that when we get a government job, we tend to keep it and build up seniority. The MSPB report indicates, however, that even with their seniority, African-Americans and other minorities appear to be concentrated at the lower grade levels, hampered in obtaining recognition and promotions by performance ratings which are disproportionately lower than those received by non-minorities.

The clear indication being, therefore, that the devaluation of seniority, which is the objective of section 201, would be especially harmful to African-Americans who have had to rely on it to secure their advancement in the Federal workplace.

There are many aspects of this bill I do support. Most of these provisions are not controversial, such as: soft-landing provisions that would enable laid-off employees to maintain their health and life insurance benefits, pursue retraining opportunities, and obtain job placement assistance; providing agencies some reorganization flexibilities; and increasing the opportunities to conduct demonstration projects to test innovative ideas.

Other controversial provisions have been eliminated. For example, during the subcommittee's mark-up of the bill, I successfully pursued the adoption of an amendment removing what was then title II, a provision that would have eliminated the essential role which the Equal Employment Opportunity Commission plays in resolving the appeals of adverse personnel actions tied to complaints of employment discrimination.

In summary, while the bill contains many useful provisions, it is unfortunate that the majority has been unable to resolve the one fatal flaw in this bill that would reduce the protections of seniority in favor of a system of flawed and biased ratings.

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Mr. MICA. Mr. Speaker, I am pleased to yield 4 minutes to the distinguished gentlewoman from Maryland [Mrs. MORELLA], a leader in civil service reform and civil service issues.

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, today we are considering a bill to improve our civil service system. I appreciate the willingness of Civil Service Subcommittee Chairman MICA and ranking Democrat JIM MORAN to bring together Members from both sides of the aisle, OPM, and Federal employee unions to reach consensus on this legislation. This truly has been a team effort. I also want to thank Congressmen DAVIS and WOLF for their valuable contributions to help Federal employees.

Several provisions included are pieces of legislation that I have introduced. While I know that this legislation is not a panacea, and it does not remedy some problems with our civil service system, it does make some important improvements and helps employees and agencies adjust to downsizing.

This bill contains several important titles to improve demonstration projects, provide for soft landings, increase worker retraining, provide additional optional life insurance for Federal retirees, and promote reorganization flexibility.

This legislation originally included legislation I introduced last year to enhance the thrift savings plan, H.R. 2306. I am very pleased that portions of that legislation passed last night as part of S. 868. Under that legislation, Federal employees will be able to invest their money in one of the two new investment options under the thrift savings plan: a Small Capitalization Stock Index Investment Fund or the International Stock Index Fund. This bill also originally contained a provision I introduced to allow Federal employees to increase their own TSP contributions to the IRS limit—$9,500. Although that provision was not included, I will continue to work to see it enacted.

Throughout this Congress, I have pursued a legislative strategy to help Federal employees and agencies cope with downsizing. The 1994 Workforce Restructuring Act mandated that we reduce our Federal work force by 272,900 FTE's by 1999. I believe that the Congress has the responsibility to help our dedicated civil servants through this difficult time, and I have introduced several bills to provide for reemployment training and retirement incentives. Although I wish they had all been incorporated in the bill before us today, this legislation does include important retraining provisions and a soft-landings package to ease the pain of downsizing for Federal employees.

When a Federal employee faces a reduction in force, his or her life is turned upside down. The provisions in this bill will help Federal employees cope with this transition. This legislation would create educational accounts so that employees separated from the Government could return to school to learn new skills. It would also allow employees to continue FEGLI life insurance coverage at its full cost in the event of a RIF, and extend health insurance for displaced Federal employees by waiving the 5-year minimum and extending an agency's payment for 18 months.

As the Federal work force shrinks to its lowest level since President Kennedy's administration, Federal workers must look to the private sector for reemployment. This civil service reform bill would also allow retraining for private sector jobs, a concept I introduced in H.R. 2825, the Strategic Reemployment Training Act. This simple, but critical, change will allow agencies to tailor their job training and counseling programs toward the private sector. To help Federal employees move into new jobs, this legislation would permit nonreimbursable details to Federal agencies before a RIF so that Federal employees can try out different kinds of jobs before they are separated. This concept was also in legislation I introduced, the Retraining and Outplacement Opportunity Act.

This omnibus bill includes legislation that I have introduced to help Federal retirees and their dependents by allowing Federal retirees to retain additional, optional life insurance under any circumstance. I became aware of the need for this legislation because one of my constituents, Harry Bodansky, has a son with severe disabilities. It doesn't seem fair that Federal retirees cannot continue their additional, optional life insurance if they pay the premium. Unfortunately, this bill cannot go back and retroactively help those who were unable to extend their insurance at the time of their retirement, but I am hopeful that it will help future retirees with dependents with disabilities.

The legislation before us today contains many other valuable provisions that will positively impact the tens of thousands of Federal employees and retirees in my district. I urge all my colleagues to vote in favor of the Mica-Moran-Morella civil service reform legislation considered today. Again, I want to thank Mr. MICA, Mr. MORAN, Mr. DAVIS, and Mr. WOLF for their commitment to helping Federal employees and moving this bill forward.

Mr. MORAN. Mr. Speaker, I yield 4 minutes to the very distinguished gentlewoman from Florida, Mrs. CARRIE MEEK.

Mrs. MEEK of Florida. Mr. Speaker, first I would like to commend the subcommittee chairman and the ranking subcommittee chairman on the work that has gone into the preparation of this bill.

Mr. Speaker, in committee I opposed a section of this bill, section 201, and of course I was told that there would be work toward correcting this particular flaw. As my ranking member, the gentlewoman from Illinois, CARDISS COLLINS, has said, this bill is seriously flawed. I want to tell the Members why.

There are about 2 million Federal workers to whom this bill will apply, and to have it go into the statutes to say that this is the way that they will be ranked or rated in terms of a RIF process. I think the Members of the Congress should realize that.

With almost 2 million people being affected, 11,000 of them in my district, we must think, first, of the flaw that is in this bill. That provision, 201, should be removed. If it is not removed, then this bill should be stopped right here on this floor because of the serious contradictions in it.

Second, there is a problem in codifying these regulations. Why not have them regulate it so that we will have some flexibility, and not put it in the statute?

The second thing is, Why is it in this bill that we are using performance ratings above that of seniority? We are putting another level in that in some way will take away the weight of seniority.

I am not against merit at all. I am looking for merit, just as the committee is. But think about the subjective nature of performance evaluations. They are very subjective. By our own studies here in the Federal Government, it proves that a person will evaluate someone positively that they feel most comfortable with. The figures show that white Americans naturally rate white Americans better. These are our own figures. Black Americans rate black Americans better. We do not want that bias. This was brought up by one of our own studies here within the Federal Government.

Mr. Speaker, I am concerned that this is too subjective. We are not objective enough when we are dealing with folks' lives. We are going to RIF these people and make people be laid off.

Our own Office of Personnel Management has addressed that. They have said in terms of their report, and I have it here, Fair and Equitable Treatment: A Progress Report on Minority Employment in the Federal Government. This is a recent report, recent statistics, showing the negative implications of this kind of evaluation. This is probably due to the fact that the Federal Government, as my ranking member has brought to the Members' attention, has hired more of these level of persons than anyone else.

Mr. Speaker, I support it, as I said before, and this committee is fine. But our own U.S. Merit System Protection Board confirms what we have said here today, that it is a subjective rating of performance evaluations. The report found that the race of the evaluator and the race of the person being evaluated makes a difference. That further emphasizes what I have just mentioned. There is a strong weakness in using performance evaluations as the greatest weight in your criteria.

Remember, Mr. Speaker, these people hold, a lot of them, supervisory positions. They are not always fair. It establishes this new formula. It gives less weight to seniority and more weight to performance evaluations than the current formula. We do not want that. The unions have told us that it is wrong, and everyone has spoken to the committee to say it is wrong. Yet, our subcommittee is adamant about maintaining this particular provision. We are moving too quickly on this. It is a very complicated kind of thing. It affects 2 million people, not just here but all over the country.

Mr. Speaker, this controversial particular feature, as I have said before, is a bill opposed by many people. We are very concerned. The Office of Personnel Management, as I have stated before, is against putting this procedure into the statutes. I appeal to the Members and to the subcommittee, we need to kill this bill right here. I do not think we are going to change it anymore. I do not think it is going to be acceptable anywhere, when there is any measure of unfairness in anything that comes from the Federal Government, putting in the statute something that is inflexible regarding the lives of 2 million people. We certainly want it to be fair to all concerned. I submit to each of the Members that section 201 is not fair to all concerned, and either it

should be removed, or this Congress should vote against it. I am adamantly opposed to this particular bill.

Mr. MICA. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I would like to focus on the soft landing provisions of the bill.

Budget reductions, reinventing government, downsizing, rightsizing, streamlining, and restructuring—whatever it's called, the result could be the same—reductions-in-force [RIF]. Many dedicated Federal employees are concerned that they will be displaced from their jobs by RIF's. As the Nation's largest employer, it is our responsibility to make sure that downsizing is conducted in the most fair, sensitive, and humane manner. These soft landing provisions will do just that.

The bill before us contains many of the provisions contained in H.R. 2751, the ''Federal Employee Separation Incentive and Reemployment Act,'' which I introduced on December 7, 1995. These soft landing provisions will help the separated Federal employee make a smooth transition into the private sector.

This legislation will permit employees separated in connection with a RIF to continue health and life insurance benefits for 18 months. It authorizes agencies to establish job counseling and job placement programs for current or former employees. It authorizes agencies to provide retraining and relocation assistance to employees separated in connection with a RIF who take a job with a non-Federal entity.

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This would also provide educational assistance to employees separated in connection with a RIF. These provisions are good for Federal employees, good for morale, good for the Federal Government and just make good sense.

Mr. Speaker, this soft landing provision in this bill is very, very important. I strongly support it.

Mr. MORAN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. HOLDEN], a distinguished member of our subcommittee.

Mr. HOLDEN. I thank the gentleman for yielding me this time.

Mr. Speaker, it is with great regret, that I rise today to ask my colleagues to vote in opposition to the Omnibus Civil Service Reform Act.

First, I want to commend Mr. MICA and Mr. MORAN for their hard work on this bill. Their efforts have been critical in getting the bill this far.

Nevertheless, I am afraid that I cannot support this bill because there are still changes which need to be made. I understand the late hour requires that this bill be considered on the Suspension Calendar, but I cannot support it without amendment.

When the bill was considered in subcommittee and full committee, we agreed to continue to work to remedy the concerns about the performance evaluation sections.

Unfortunately, those concerns have not been addressed, and the performance evaluation section remains. This bill is correctable, and I am confident that these problems can be addressed in the future.

For today, I ask my colleagues to vote against this bill, and I hope we can work in the future to pass civil service reform.

Mr. MICA. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. DAVIS].

Mr. DAVIS. I thank my friend for yielding me this time.

Mr. Speaker, we have worked on this legislation for a long time, Members from both parties. I feel genuinely conflicted about this. With the inclusion of section 201, this legislation has proved more controversial than I think it needed to be. If we had spent some more time on this legislation working with some of the affected groups, we might have been able to come up to a better resolution. I am afraid that its inclusion is going to poison the well for this when it leaves this body and goes to the other body, and it may end up meaning that we do not end up with a bill. I think that is unfortunate, because there are a number of good provisions in this bill.

I thank the gentleman from Florida [Mr. MICA], the chairman, the gentleman from Virginia [Mr. MORAN], the ranking member, the gentleman from Virginia [Mr. WOLF], the gentlewoman from Maryland [Mrs. MORELLA], the gentleman from Maryland [Mr. HOYER], and the gentleman from Maryland [Mr. WYNN], and others who have worked to try to get some of these provisions in that I think give soft landings to Federal employees at a time of downsizing.

It authorizes, for example, making Thrift Savings Plan loans to employees who have been furloughed due to lapses in appropriations when Congress and the President do not get their jobs done. This gives them out.

It distributes life insurance proceeds in accordance with divorce decrees, and it permits retirees to elect to continue unreduced life insurance policies.

It provides management flexibility in reorganizing agencies, including allowing voluntary RIFs for all agencies.

And it provides soft landing support to employees affected by downsizing, something that we need to be ready for over the next few years as government continues to reorganize itself and become more efficient.

I am concerned that as the Federal Government shrinks and as we make the transition to an information and high-technology-based society, the need for a highly qualified and professional work force increases. The Federal Government must be able to recruit and retain the best qualified professionals. Therefore, we have to provide a compensation package that is competitive with the private sector.

We also need to provide extensive training opportunities for employees while developing appropriate soft landing and job transition services for our departing Federal workers. The American taxpayers, our customers, demand excellent government service provided by qualified professionals who are treated fairly.

This bill incorporates a variety of provisions originally introduced by the gentleman from Virginia [Mr. WOLF], myself, and others that will help do this by serving to soften the landings of Federal employees who face the loss of their jobs due to downsizing.

Under H.R. 3841, they would specifically be authorized to continue their coverage under the Federal employees group life insurance program if they pay the full premiums. Agencies could also extend health insurance coverage for as long as 18 months for RIFed employees, with the Government continuing to pay its share of the premiums.

The reform bill also authorizes priority placement programs in agencies and outplacement assistance for Federal employees and incorporates a right of first refusal for jobs with a contractor if Federal jobs are converted to contract. This title would also create educational accounts and allow for reimbursement of retraining and relocation expenses of up to $10,000.

These are good, solid provisions that ought to be enacted into law. I hope they are not jeopardized here at the last minute by the inclusion of section 201.

By voting today to send this over to the Senate, perhaps they can make their amendments, and it is our only chance because these provisions, I think, are demanded if we are to have a professional work force for our Federal employees in the future.

Mr. MORAN. Mr. Speaker, I yield the balance of my time to the gentleman from Maryland [Mr. HOYER], a constant and strong advocate on behalf of Federal employees.

The SPEAKER pro tempore (Mr. GUTKNECHT). The gentleman from Maryland is recognized for 2¼ minutes.

(Mr. HOYER asked and was given permission to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, I rise in opposition, and I am sorry that I rise in opposition. This bill has much in it which deals with Federal employees fairly at a time when they are at risk, at a time when they have been traumatized by shutting down the Federal Government, telling them to go home and maybe we will pay you, and maybe we will not.

This bill comes at probably one of the most tenuous times in the civil service that I have seen. We are going to have trouble recruiting and retaining our good people.

Let me tell you what is wrong with this section 201 if you are a supervisor and you are charged with the responsibility of rating an employee. That is an extraordinarily difficult task under the best of circumstances, because human beings have trouble judging one another.

But I tell my friends who are bringing this section 201 to the floor that if the consequences of my rating my Federal employee is to either give them 10, 7, or 5 years seniority, the pressure on me will be geometrically increased, geometrically increased, because that employee know that I not only do not give him or her an outstanding rating, but that the consequences of that may be, after 5 or 10 or 15 years' service, that somebody with 5 years' service will have more points than I do. So that if Mr. MORAN is STENY HOYER's supervisor, I really have high expectations for what he will do.

I suggest to you, my friends, that if there is any doubt, you are going to see a pressure for evaluation inflation beyond that which exists today.

In closing, let me say that obviously this bill has merit. Just as obviously, unfortunately, the concept that 201 speaks to has merit as well. It is a shame, therefore, that we consider it under suspension, no amendments, limited time, without sufficient time to debate fully an important concept.

I urge the Members to reject this bill under these circumstances.

Mr. MICA. Mr. Speaker, I yield myself the balance of my time.

In conclusion, I believe this is a very important bill and it sends the right message to our Federal employees at a time when they are uncertain about their job security.

The bill says to those who have worked hard that we will make a special effort to help them keep their jobs. And it says to taxpayers that we are serious once and for all about improving the performance and accountability in the civil service.

Sometimes it is easy to do what is expedient, but sometimes it is more important to do what is right. Tonight it is time to do what is right. This bill provides a safety net to those who lose their jobs as we reduce the size and scope of government and will help in the transition to the private sector. And this bill also provides the tools to make government more efficient, and, I believe, more effective.

Mr. Speaker, I have tried to work my best with my colleagues on the other side. We have even asked for their input as we drafted and made changes in section 201. I am sorry that they will oppose this. We would continue to work with them as the legislation might make its way through the other body. But tonight it is important that we do what is right and we do not just do what is expedient.

Mr. MORAN. Mr. Speaker, I ask unanimous consent for 1 additional minute in regard to the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MORAN. Mr. Speaker, I would urge Members on both sides to vote for this bill. The soft landing provisions on health insurance and life insurance and educational assistance by themselves have more than sufficient merit to pass this bill. But I do think that there is merit as well in section 201. I do not agree—and I have discussed this with the gentlewoman from Illinois [Mrs. COLLINS] and the gentlewoman from Florida [Mrs. MEEK]—that giving more weight to performance ratings has anything to do within a racial context. I do not think that there is an issue of racial discrimination here. In fact, I think that new hires, in fact, would be better served under this new system. We have some disagreement and obviously there is a report that lends credence to the argument that has been made. But I would urge my colleagues to vote for this bill, for giving more weight to performance ratings in the civil service and certainly for the soft landing provisions that are an important and necessary part of this bill.

Mr. Speaker, I rise in support of the Omnibus Civil Service Reform Act and urge its passage.

Earlier this year, Chairman MICA, Mrs. MORELLA, Mr. DAVIS, and I met to discuss the possibility of drafting and enacting some important civil service reforms. At that meeting, we all agreed that there were certain reforms and modifications that simply had to be done this year. We agreed that we would draft a bipartisan bill—one that took into consideration the concerns of Federal employee associations, Federal employee unions, and rank and file Federal employees.

The result is this legislation. This bill does not contain every provision that I wanted. It does not contain every provision that Mr. MICA wanted. It does, however, contain a number of important provisions that will improve the performance of our civil service and that will improve the lives of our Nation's civil servants.

The bill contains provisions originally offered by the administration to improve the Demonstration Projects Program. Title I of this legislation will enable agencies to try new initiatives and demonstrate different ways to run the Federal civil service.

The bill contains provisions to improve the performance management of the federal civil service. Since the first caucus of the Civil Service Subcommittee, we have focused on how to remove poor performers from the Federal workforce and reward those employees who are outstanding. This is particularly important now that the Federal Government is downsizing. We have about the same number of Federal employees today as we did during the Kennedy administration.

These employees, however, are involved in activities never foreseen in 1963. If we are to have fewer employees doing more work, we must ensure that those employees retained during a reduction in force are the best and brightest employees. Section 201 of this legislation, the section which has received the most criticism, is an attempt to reward performance rather than seniority when agencies are undergoing RIFs. Other sections in title II enable managers to effectively do their jobs and either take action against poor performers or reward outstanding work performance.

The remainder of this bill incorporates a number of provisions designed to help employees undergoing reductions in force. These provisions allow an employee to continue to participate in the Government life insurance programs, provided that he pay both the employer and employee contributions. It would allow an employee who loses his job due to a reduction in force to continue to participate in the Federal Employee Health Benefits Program. It also establishes a priority placement program and education assistance grants to help displaced Federal employees improve their competitiveness through greater education.

Throughout this process a number of Federal employee organizations have raised concerns about a number of provisions. These concerns have, for the most part, been addressed. The Civil Service Subcommittee has dropped provisions to streamline the appeals processes and have ensured that certain provisions contained in the legislation do not adversely impact employees covered by collective bargaining. The Government Reform and Oversight Committee modified section 201 of this bill to ensure that its affect is not discriminatory.

The bill considered by the subcommittee was 100 percent better than the original draft. The bill marked up in full committee was 100 percent better than the subcommittee draft.

Since Chairman MICA and I first assumed our positions on the Civil Service Subcommittee, we have had a number of serious disagreements over Federal employee policies. We continue to have ideological differences. Throughout this Congress, however, we have worked together in an effort to improve the Federal work force. We agree on the provisions contained in this legislation.

This does not mean Mr. MICA has softened his positions or I have softened mine. Instead, this legislation represents a mutual identification of reforms that simply had to be made this year. I appreciate the work Mr. MICA and his staff have put into this legislation and I greatly appreciate his willingness to work closely with me and my staff on this effort. I also appreciate the work Vice President GORE and his staff have done in trying to reinvent the Federal work force. Many of the positive reforms incorporated in this bill come directly from his work. The National Performance Review has benefited us all by focusing on how to improve the Federal work force.

I understand the concerns raised by a number of Federal employee groups about section 201 of this bill. As everyone knows, I have worked closely with all of these groups throughout this Congress and, together, we have been able to defeat efforts to unfairly increase retirement contributions and improperly modify the Federal Employee Health Benefits Program. We worked hard to protect Federal employees from continued downsizings and Federal Government shutdowns.

This, however, is an area in which we simply disagree. I strongly believe that Federal employees and Federal taxpayers must ensure that the best employees are retained during RIF's. I oppose RIF's. I was the first to speak out against the original NPR report because I thought it unfairly targeted Federal employees. But the Federal Government is downsizing and we simply cannot afford to retain any unsatisfactory or minimally successful employees.

Regardless of our individual positions on title II, we must all agree that this is an extremely important bill. I sincerely hope that we do not defeat this entire effort, and all the benefits it provides Federal employees, because of our disagreements.

The SPEAKER pro tempore (Mr. FOLEY). The question is on the motion offered by the gentleman from Florida [Mr. MICA] that the House suspend the rules and pass the bill, H.R. 3841, as amended.

The question was taken.

Mrs. MEEK of Florida. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

## RECOGNIZING THE END OF SLAVERY

Mr. MICA. Mr. Speaker, I ask unanimous consent that the Committee on Government Reform and Oversight be discharged from further consideration of the joint resolution (H.J. Res. 195) recognizing the end of slavery in the United States, and the true day of independence for African-Americans, and ask for its immediate consideration.

The clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Miss COLLINS of Michigan. Mr. Speaker, reserving the right to object, and I shall not object, I rise to explain the purpose of this legislation.

(Miss COLLINS of Michigan asked and was given permission to revise and extend her remarks.)

Miss COLLINS of Michigan. Mr. Speaker, let me begin my remarks by thanking the other side of the aisle and both parties for the bipartisan cooperation in bringing this bill to the floor.

Mr. Speaker, it is with great honor that I rise in support of House Joint Resolution 195—legislation that will recognize Juneteenth as the day of celebrating the end of slavery in the United States and as the true day of independence for African-Americans in this country.

Juneteenth is the traditional celebration of the day on which the slaves in America were freed. Although slavery was officially abolished in 1863, news of freedom did not spread to all slaves for another 2½ years—June 19, 1865. On that day, U.S. Gen. Gordon Granger, along with a regiment of Union Army Soldiers, rode into Galveston, TX, and announced that the State's 200,000 slaves were free. Vowing to never forget the date, the former slaves coined a nickname for their cause of celebration—a blend of the words ''June'' and ''Nineteenth.''

House Joint Resolution 195 recognizes that the significance of Juneteenth is twofold. Historically, the date signifies the end of slavery in America. We must also recognize, however, that while the former slaves truly had cause to celebrate the events of June 19, 1865, the truth is that when the slaves of Texas received news of their freedom, they were already legally free. That is because the Emancipation Proclamation became effective nearly 2½ years earlier—on January 1, 1863. Thus, from a political standpoint, Juneteenth is significant because it symbolizes how harsh and cruel the consequences can be when a breakdown in communication occurs between government and the American people. Sadly, the degrading and dehumanizing effects of slavery were unnecessarily prolonged for over 200,000 Black men, women, and children because someone failed to communicate the truth.

As Juneteenth celebrations continue to spread, so does a great appreciation of African-American history. We must revive and preserve Juneteenth not only as the end of a painful chapter in American history—but also as a reminder of the importance of preserving the lines of communication between the powerful and the powerless in our society.

Juneteenth allows us to look back on the past with an increased awareness and heightened respect for the strength of the millions of African-Americans who endured unspeakable cruelties in bondage for over 400 years. Out of respect to our ancestors, upon whose blood, sweat, and tears, this great Nation was built, Juneteenth Independence Day acknowledges that African-Americans in this country are not truly free, until the last of us are free.

I urge all of my colleagues to support this important and historic legislation.

□ 1815

Ms. COLLINS of Michigan.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 195

Whereas ''Juneteenth'' celebrations have been held informally for over 130 years to commemorate the strong survival instincts of African-Americans who were first brought to this country stacked in the bottoms of slave ships during a month-long journey across the Atlantic Ocean known as the ''Middle Passage'';

Whereas the Civil War was fueled by the economic and social divide caused by slavery;

Whereas on January 1, 1863, President Abraham Lincoln signed the Emancipation Proclamation, the enforcement thereof occurred only in those Confederate States under the control of the Union Army;

Whereas on January 31, 1863, Congress passed the Thirteenth Amendment to the Constitution abolishing slavery throughout the United States and its territories;

Whereas on April 9, 1865, when General Robert E. Lee surrendered on behalf of the Confederate States at Appomattox, the Civil War was nonetheless prolonged in the Southwest;

Whereas news of the Emancipation Proclamation reached each State at different times;

Whereas the Emancipation Proclamation was not enforced in the Southwest until June 19, 1865, when Union General Gordon Granger landed at Galveston, Texas, to present and read General Order No. 3;

Whereas former slaves in the Southwest began celebrating the end of slavery and recognized ''Juneteenth Independence Day''; and

Whereas ''Juneteenth'' allows us to look back on the past with an increased appreciation for the strength of the men, women, and children who for generations endured unspeakable cruelties in bondage: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the end of slavery in the United States should be celebrated and recognized.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. MICA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3841 and House Joint Resolution 195.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5, rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order: House Concurrent Resolution 145 by the yeas and nays; House Concurrent Resolution 189 by the yeas and nays; H.R. 3752 by the yeas and nays; H.R. 4011 by the yeas and nays; and H.R. 3841 by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

## CONCERNING REMOVAL OF RUSSIAN FORCES FROM MOLDOVA

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 145.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. GILMAN], that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution, 145 on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 425, nays 0, not voting 8, as follows: